

VO
STATEMENT OF FINANCIAL POSITION
AS OF: December 31, 2005

ASSETS

CURRENT ASSETS

101 Cash (Disclose on Schedule A)	\$56,979,223
102 Current Investments	-
103 Accounts Receivable (net) (Disclose on Schedule A)	\$14,089,621
104 Notes Receivable (current portion)	-
105 Prepaid Expenses	2,580,916
106 Other Current Assets (Disclose on Schedule A)	<u>\$2,669,216</u>
107 Total Current Assets	<u>\$76,318,976</u>

NON-CURRENT ASSETS

108 Land	-
109 Building	-
110 Leasehold Improvements	4,077,127
111 Furniture and Equipment	15,028,172
112 Vehicles	-
113 Total Property and Equipment	<u>\$19,105,299</u>
114 Less: Accumulated Depreciation	<u>8,103,566</u>
115 Net Property and Equipment	<u>\$11,001,733</u>
116 Notes Receivable (net of current portion)	-
117 Performance Bond (Disclose on Schedule A)	-
118 Long Term Investments	-
119 Deposits	485,214
120 Other Noncurrent Assets (Disclose on Schedule A)	<u>\$0</u>
121 Total Noncurrent Assets	<u>\$11,486,947</u>
122 TOTAL ASSETS	<u><u>\$87,805,923</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$6,387,576
202 Reported But Unpaid Claims	1,484,678
203 Payable to ADHS (Disclose on Schedule A)	\$1,743,638
204 Other Amounts Payable to Providers	10,444,391
205 Trade Accounts Payable	3,668,123
206 Accrued Salaries and Benefits	7,243,896
207 Long-term Debt (current portion)	-
208 Deferred Revenue (Disclose on Schedule A)	\$0
209 Risk Pool Payable	-
210 Other Current Liabilities (Disclose on Schedule A)	<u>\$11,087,685</u>
211 Total Current Liabilities	<u>\$42,059,989</u>

NON-CURRENT LIABILITIES

212 Long-term debt (net of current portion)	-
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	<u>\$2,532,942</u>
215 Total Noncurrent Liabilities	<u>\$2,532,942</u>
216 TOTAL LIABILITIES	<u>\$44,592,931</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	43,212,992
Restricted Net Assets (Disclose on Schedule A)	<u>\$0</u>

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$87,805,923</u></u>
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VO
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosures

December 31, 2005

ASSETS:

Cash

Unrestricted	56,979,223
Restricted	\$ -
Total Cash	<u><u>\$56,979,223</u></u>

Accounts Receivable

ADHS

Program ID	Category ID
Current Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	47,551
HIFA II SMI	213,130
TXIX GMHSA	16,670
HIFA II GMH	74,661
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	153,573
NTXIX/XXI SMI	3,906,127
Mental Health	124,133
Substance Abuse	3,728,009
Prevention Intervention	1,031,115
ADHS DOC	20,102
PASRR	16,500
HB2003 Child	-
HB2003 SMI	-
NTXIX/XXI SMI	Community Placement
Select Program	Identify category
Prior Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	-
NTXIX/XXI SMI	-
Mental Health	-
Substance Abuse	-
Prevention Intervention	-
ADHS DOC	-
PASRR	-
HB2003 Child	-
HB2003 SMI	-
Select Program	Identify category

Non-ADHS &/or Unrelated Business

Current Year	
Employee receivables	(880)
RxInnovations	723,693
Miscellaneous	-
Non-HB2003 provider receivables	2,078,597
Rehabilitative Services Administration	-
Accrued interest receivable	183,883

LIABILITIES:

IBNR Claims Estimate

Current Year	
FY 06	5,727,441
Prior Year(s)	
FY05	660,135
FY04	
Total IBNR	<u><u>\$6,387,576</u></u>

Payable to ADHS (Detail of Line 203)

Program ID	Category ID
Prior Year	
NTXIX/XXI Child	Profit/Risk Corridor
Admin & Mgmt Gen	Sanctions
	1,610,718
	\$132,920
	<u><u>\$1,743,638</u></u>

Total Payable to ADHS

Deferred Revenue from: (Detail of Line 208)

Program ID	Category ID
ADHS	
Current Year	
NTXIX/XXI Child	\$0
Select Program	\$0
Select Program	\$0
Select Program	\$0
Select Program	\$0
Prior Year	
Select Program	\$0
Select Program	\$0
Select Program	Identify Category
Non-ADHS &/or Unrelated Business	
Current Year	
Identify Program	Identify Category
Identify Program	Identify Category
Prior Year	
Identify Program	Identify Category
Total Deferred Revenue	<u><u>\$0</u></u>

Other Current Liabilities (Detail of Line 210)

Identify Other Current Liabilities	
Insurance	-
Accrued audit fees	-
Casa Buena Payable	296,698
Deferred Lease Liability	9,617
Due to affiliates	2,671,093
Income tax payable to parent	3,840,668
Legal	-
Malpractice Reserve	4,269,609
Miscellaneous	-
Total Other Current Liabilities	<u><u>\$11,087,685</u></u>

Case management receivable	376,401	<u>Loss Contingencies (Detail of Line 213)</u>	
Casa Buena	-	Identify Loss Contingencies	
Medicare receivable	242,779		
Lab Receivables	15,979	Total Loss Contingencies	<u>\$0</u>
Prior Year		<u>Other Noncurrent Liabilities (Detail of Line 214)</u>	
Employee receivables	-	Deferred lease credit - noncurrent	2,327,678
RxInnovations	-	Deferred tax - noncurrent	205,264
Miscellaneous	-		
Non-HB2003 provider receivables	-	Total Other Noncurrent Liabilities	<u>\$2,532,942</u>
Rehabilitative Services Administration	-		
Accrued interest receivable	-		
Case management receivable	-	<u>Restricted Net Assets (Detail of Line 217)</u>	
Medicare receivable	-	Identify Restricted Net Assets	
Lab Receivables	-		
		Total Restricted Net Assets	<u>\$0</u>
Allowance for Doubtful Accounts			
Total Accounts Receivable	<u>14,089,621</u>		
<u>Other Current Assets (Detail of Line 106)</u>			
Deferred tax asset	2,669,216		
Total Other Current Assets	<u>\$2,669,216</u>		
<u>Other Noncurrent Assets (Detail of Line 120)</u>			
Identify Other Non Current Assets			
Total Other Noncurrent Assets	<u>-</u>		
<u>PERFORMANCE BOND:</u>			
Type of Security & Amount -	Surety Bond	\$45,167,606	

Adjustments:

Disclose and describe any adjustments made to previously submitted financial statements, including those that affect the current period financial statements.

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

- 101. Cash - Increased 16.3% due to collections from ADHS.
- 103. Accounts receivable, net - Decreased 25.8% due to collections from ADHS.
- 105. Prepaid expenses increased 18.5% due to normal prepaid expense activity
- 110. Leasehold improvements increased 253.6% due to expansion of UPC.
- 119. Deposits - Decreased 15.9% due to normal business cycle.
- 201. Incurred but not reported claims decreased 19.1% due to accelerating claims payments.
- 202. Reported but unpaid claims increased 24.7% due to normal claims processing activities and timings.
- 204. Other amounts payable to providers increased 50.6% due to contracts being signed, retrospective adjustments and payments being recorded.
- 206. Accrued Salaries and Benefits - Increased 33.4% due to normal payroll cycle.
- 208. Deferred revenue - Decreased 100% due to increase in expenditures of NTXIX/XXI Child.
- 210. Other current liabilities - decreased 13.5% due to balancing payment timing of affiliated dues.
- 214. Other noncurrent liabilities - Increased 193.5% due to Deferred Lease Credit.

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STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : December 31, 2005

			Net Assets / Retained Earnings	Total
	Initial Capital	Additional Capital		
Beginning Balance: July 1, 2005	36,491,707	-	2,408,314	38,900,021
* Net Surplus / Net Earning for the period ended: December 31, 2005	-	-	5,606,976	5,606,976
Dividends Declared		-	(2,000,000)	(2,000,000)
** Prior Period Adjustments	-	706,000	-	706,000
Ending Balance: December 31, 2005				-
	<u>\$ 36,491,707</u>	<u>\$ 706,000</u>	<u>\$ 6,015,290</u>	<u>\$ 43,212,997</u>

* Net of dividends declared

** Disclosure of Prior Period Adjustments

Parent put \$1,200,000 into capital in July 2005

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																								
401	Revenue Under ADHS Contract																							
a	ADHS Revenue	36,861,255	20,584,699	2,965,144	3,697,274	2,509,688	0	107,840,496	2,087,074	40,185,311	1,216,817	97,260	0	37,806,557	426,262	1,100,413	11,616,525	2,996,507	32,100	973,569	0	272,996,951	0	272,996,951
b	ADHS Revenue - Qualifying Incentive Payments	658,918	325,419	49,248	0	41,292	0	0	33,577	0	19,675	1,702	0	0	7,768	0	0	0	0	0	0	1,137,598	0	1,137,598
402	Specialty & Other Grants*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
403	Client Fees (Co-pays)	0	0	0	0	0	0	1,345	0	1,529	0	0	0	15	0	62	24	0	0	0	0	2,975	0	2,975
404	Third Party Recoveries																							
a	Medicare	0	0	0	0	0	0	235,335	0	171,353	0	0	0	1,578	0	4,436	498	0	0	0	0	415,200	0	415,200
b	Other Insurance	0	0	0	0	0	0	12,959	0	13,067	0	0	0	0	0	808	108	0	0	0	0	26,942	0	26,942
405	Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	968,556	968,556	968,556
406	Other Funding Sources - Non ADHS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,965	35,965	0	35,965
407	Unrelated Business Activities*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
408	TOTAL REVENUE	37,520,172	20,910,118	3,014,391	3,697,274	2,550,980	0	108,090,136	2,120,651	40,371,260	1,236,493	98,962	0	37,808,150	434,030	1,107,719	11,617,155	2,996,507	32,100	973,569	35,965	274,615,631	968,556	275,584,187
EXPENSES																								
Service Expenses:																								
501	Treatment Services																							
a	Counseling	5,495,495	1,313,560	404,859	463,733	509,692	0	3,051,630	54,830	1,213,070	44,064	6,930	0	4,209,904	48,179	140,308	713,643	0	0	0	0	17,669,898	0	17,669,898
1	Counseling, Individual	3,366,862	683,674	298,478	219,307	307,854	0	224,217	3,798	140,109	4,241	830	0	180,970	4,204	9,810	5,030	0	0	0	0	5,449,384	0	5,449,384
2	Counseling, Family	282,643	41,241	8,058	43,055	36,092	0	448,128	6,582	188,463	7,153	886	0	1,900,009	8,879	53,367	522,952	0	0	0	0	3,547,506	0	3,547,506
3	Counseling, Group	2,267,097	233,780	187,212	92,891	200,890	0	1,186,797	32,147	730,723	6,133	5,134	0	3,187,810	29,894	603,997	529,773	0	0	0	0	9,294,279	0	9,294,279
b	Consultation, Assessment & Specialized Testing	40,067	90	0	385,702	2,715	0	0	481	676,082	109	0	0	1,156	104,511	739,730	0	0	0	0	1,950,643	0	1,950,643	
c	Other Professional																							
d	Total Treatment Services	11,452,164	2,272,345	898,607	1,204,689	1,057,243	0	4,910,771	97,839	2,948,447	61,700	13,780	0	9,478,694	92,311	911,994	2,511,127	0	0	0	0	37,911,710	0	37,911,710
502	Rehabilitation Services																							
a	Living Skills Training	1,750,423	550,799	220,610	66,028	96,598	0	3,256,602	69,016	1,154,272	16,536	1,002	0	268,931	2,617	8,806	6,382	0	0	0	0	7,468,622	0	7,468,622
b	Cognitive Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Health Promotion	24,819	6,047	13,003	224	1,650	0	174,919	3,627	63,555	1,424	0	0	52,484	10	1,255	2,786	0	0	0	0	345,802	0	345,802
d	Supported Employment Services	6,035	7,162	46	369	44	0	1,795,801	211,661	759,983	63,531	234	0	385,888	2,346	1,728	5,541	0	0	0	0	3,240,369	0	3,240,369
e	Total Rehabilitation Services	1,781,277	564,008	233,659	66,621	98,292	0	5,227,322	284,305	1,977,810	81,490	1,237	0	707,303	4,972	11,789	14,709	0	0	0	0	11,054,793	0	11,054,793
503	Medical Services																							
a	Medication Services	33	0	0	0	0	0	485,567	22,869	168,477	2,660	379	0	1,516,350	2,135	10,391	511,930	0	0	0	0	2,720,791	0	2,720,791
b	Medical Management	1,544,160	154,602	324,872	89,203	141,644	0	5,857,415	200,418	3,067,677	40,357	7,032	0	2,074,070	39,930	97,616	71,880	0	0	0	0	13,710,876	0	13,710,876
c	Laboratory, Radiology & Medical Imaging	33,598	3,871	4,827	1,855	2,760	0	264,875	10,594	168,204	1,810	367	0	131,060	1,161	8,601	13,257	0	0	0	0	646,839	0	646,839
d	Electro-Convulsive Therapy	12,118	0	0	0	0	0	78,917	0	87,409	0	0	0	11,398	0	0	0	0	0	0	0	189,841	0	189,841
e	Total Medical Services	1,589,909	158,473	329,699	91,058	144,405	0	6,686,773	233,882	3,491,766	44,826	7,778	0	3,732,879	43,226	116,608	597,067	0	0	0	0	17,268,347	0	17,268,347
504	Support Services																							
a	Case Management	89,928	33,205	7,231	9,711	2,040	0	31,955,839	403,982	14,533,317	492,266	17,444	0	3,356,984	77,083	985,186	307,879	0	0	0	0	52,272,096	0	52,272,096
b	Personal Assistance	838,717	301,330	794,583	78,767	36,469	0	4,780,509	135,760	1,313,864	4,277	10	0	432,483	86	0	70,591	0	0	0	0	8,787,447	0	8,787,447
c	Family Support	1,832,946	371,775	335,072	65,807	94,709	0	14,903	159	6,760	32	0	0	6,609	0	119	254	0	0	0	0	2,729,144	0	2,729,144
d	Peer Support	184,113	81,702	8,081	19,173	9,720	0	533,486	14,215	179,730	4,518	141	0	124,079	930	5,693	17,601	0	0	0	0	1,183,182	0	1,183,182
e	Therapeutic Foster Care Services	996,286	2,901,671	0	17,921	0	0	150,175	0	37,014	0	0	0	0	0	0	0	0	0	0	0	4,103,066	0	4,103,066
f	Respite Care	1,576,103	226,054	96,394	26,409	47,177	0	326	0	0	0	0	0	1,764	0	0	0	0	0	0	0	1,974,227	0	1,974,227
g	Housing Support	0	0	0	0	0	0	0	0	1,235,531	3,589	0	0	0	369	21,925	240,332	0	0	0	0	1,501,746	0	1,501,746
h	Interpreter Services	0	0	0	61,758	0	0	0	0	19,375	0	0	0	0	843	32,734	4,260	0	0	0	0	118,970	0	118,970
i	Flex Fund Services	0	0	0	402,650	0	0	0	0	632,006	0	0	0	0	0	27,219	101,108	0	0	0	0	1,162,983	0	1,162,983
j	Transportation	553,073	94,771	16,537	39,375	32,544	0	1,446,156	48,373	521,650	5,787	235	0	782,273	2,782	64,080	74,639	0	0	0	0	3,682,273	0	3,682,273
k	Block Purchase NTXIX Consumer Drop In Center	0	0	0	0	0	0	718,842	0	212,115	0	0	0	0	0	0	0	0	0	0	0	930,957	0	930,957
l	Total Support Services	6,071,166	4,010,508	1,257,898	721,571	222,660	0	39,600,236	602,488	18,691,360	510,469	17,830	0	4,704,192	82,093	1,136,956	816,664	0	0	0	0	78,446,091	0	78,446,091
505	Crisis Intervention Services																							
a	Crisis Intervention - Mobile	735,009	387,610	221,080	359,837	43,038	0	978,898	116,653	346,081	13,971	2,024	0	1,086,660	6,883	727,909	127,047	0	0	0	0	5,152,700	0	5,152,700
b	Crisis Services	138,879	16,411	19,600	17,149	13,239	0	617,614	21,905	216,476	2,384	1,058	0	1,095,417	4,659	407,957	354,704	0	0	0	0	2,927,453	0	2,927,453
c	Crisis Phones	4,161	1,066	274	416	88	0	1,570,916	19,613	718,052	0</													

*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Administrative Expenses:																								
601	Salaries	805,218	449,754	64,794	80,788	54,897	0	2,355,597	30,596	877,986	26,614	2,127	0	840,841	9,323	24,042	253,764	65,469	744	21,784	0	5,964,336		5,964,336
602	Employee Benefits	199,037	111,172	16,016	19,970	13,570	0	582,265	7,563	217,024	6,578	526	0	207,842	2,304	5,943	62,726	16,183	184	5,385	0	1,474,285		1,474,285
603	Professional & Outside Services	237,221	132,500	19,089	23,801	16,173	0	693,970	9,014	258,659	7,840	627	0	247,716	2,747	7,083	74,760	19,287	219	6,418	0	1,757,123		1,757,123
604	Travel	19,477	10,879	1,567	1,954	1,328	0	56,979	740	21,238	644	51	0	20,339	226	582	6,138	1,584	18	527	0	144,271		144,271
605	Occupancy	46,460	25,950	3,739	4,661	3,168	0	135,916	1,765	50,659	1,536	123	0	48,516	538	1,387	14,642	3,778	43	1,257	0	344,138		344,138
606	Depreciation	186,785	104,329	15,030	18,740	12,734	0	546,424	7,097	203,665	6,173	493	0	195,048	2,163	5,577	58,865	15,187	173	5,053	0	1,383,538		1,383,538
607	All Other Operating*	1,112,285	621,266	89,503	111,597	75,832	0	3,253,895	42,263	1,212,803	36,762	2,938	0	1,161,492	12,878	33,211	350,536	90,435	1,027	30,091	0	8,238,813		8,238,813
608	Subtotal ADHS Administrative Expenses	2,606,484	1,455,849	209,738	261,511	177,702	0	7,625,046	99,038	2,842,033	86,148	6,884	0	2,721,794	30,178	77,825	821,431	211,922	2,408	70,515	0	19,306,504	0	19,306,504
650	Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	338,994	338,994
651	Unrelated Admin. Expense*																					0		0
652	Subtotal Administrative Expense	2,606,484	1,455,849	209,738	261,511	177,702	0	7,625,046	99,038	2,842,033	86,148	6,884	0	2,721,794	30,178	77,825	821,431	211,922	2,408	70,515	0	19,306,504	338,994	19,645,498
701	Unrelated Business Expenses*																					0		0
790	Income Tax Provisions																							
a	ADHS Income Tax Provision	(850,478)	2,482,937	(679,194)	111,342	(113,397)	0	5,360,591	(653,032)	(2,742,199)	49,211	4,597	0	(574,835)	(108,250)	(1,328,131)	1,617,701	103,221	0	26,887	0	2,706,971	0	2,706,971
b	Non ADHS Income Tax Provision	243,800	120,405	18,222	0	15,278	0	92,367	12,423	68,801	7,280	630	0	589	2,874	2,703	233	0	0	0	16,018	601,623	280,385	882,008
799	Subtotal Income Tax Provision	(606,678)	2,603,342	(660,972)	111,342	(98,119)	0	5,452,958	(640,609)	(2,673,398)	56,491	5,227	0	(574,245)	(105,376)	(1,325,428)	1,617,935	103,221	0	26,887	16,018	3,308,594	280,385	3,588,979
800	TOTAL EXPENSES	37,616,754	17,342,749	3,788,256	3,558,619	2,631,876	0	101,299,550	2,884,827	43,700,451	1,146,470	90,751	0	38,523,260	557,487	2,758,280	9,602,337	2,867,966	32,101	940,087	16,018	269,357,832	619,379	269,977,211
801	INC/(DEC) IN NET ASSETS/EQUITY	(96,582)	3,567,369	(773,865)	138,655	(80,896)	0	6,790,586	(764,176)	(3,329,191)	90,023	8,211	0	(715,110)	(123,457)	(1,650,561)	2,014,818	128,541	(1)	33,482	19,947	5,257,799	349,177	5,606,976

*Disclose on Schedule A

December 31, 2005

VO December 31, 2005: Stmnt Act Sch A

TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
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ADJUSTMENTS
(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

Analysis:
(Compare prior quarter activity to current quarter activity for each column [program] and each row major category of service.)
There was an overall increase in T19 DD Child and NT19 Children's services for all service catagories due to several factors. First was the increase in Fee for Service utilization due to increases in eligle consumers for T19 DD Children. Additionally, increases in block contract values increased treatment, rehab, medical and support services for children. Adult services reflected a mixed results. The increase in Title XIX DD Adult service is primarily due to the contractual increase in Maricopa Integrated Health System's (MIHS) rates. The large percentage changes that reflects both Mental Health and HIFA II GMH is due to the fact that they represent relatively small portion of the total funding. The Substance Abuse resulted in a 35.4% decrease compared to previous quarter. This is due to the termination of contract for Urgent Care Center (UCC) and a decrease in utilization.

VO

STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	5,606,976
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	446,908
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Current Investments	-
Receivables	(10,032,215)
Inventory & Prepaid Expenses	(1,492,081)
Interest Receivable	(162,726)
Deposits	16,197
Other	-
Increases/(Decreases) in Liabilities:	
IBNR	(222,582)
RBUC	772,527
Accounts Payable to ADHS	-
Accounts Payable to Providers	3,840,554
Interest Payable	-
Trade Accounts Payable	49,176
Accrued Salaries & Benefits	1,122,886
Other Current Liabilities	4,336,993

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> 4,282,614
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	(4,616,672)
Proceeds from Sales of Investments	-
Purchase of Investments	-

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> (4,616,672)
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CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	706,000
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	(2,000,000)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<hr/> (1,294,000)
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NET INCREASE/(DECREASE) IN CASH	(1,628,058)
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BEGINNING CASH	<hr/> 58,607,281
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ENDING CASH BALANCE *	<hr/> <hr/> 56,979,223
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***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

VO

STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

December 31, 2005

Schedule A Disclosure

Describe:

1. Sources and amounts of cash received for other grants.

2. Underlying transactions for acquisition of debt.

(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

Capital infusion from parent company	706,000
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3. Underlying transactions for retirement of debt.

(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt

Dividends declared and paid	2,000,000
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5. Supplemental data or non-cash investing and financing activities, gifts, etc.